

WOODBIDGE SCHOOL DISTRICT
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING
AGREED-UPON PROCEDURES

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Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable Valerie A. Woodruff
Secretary, Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Mr. Heath Chasanov
Assistant Superintendent
Woodbridge School District
P.O. Box 869 Govenors Ave.
Greenwood, DE 19950

Dear Secretary Woodruff and Mr. Chasanov:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (the DOE) and Woodbridge School District (the District) solely to assist you, the specified parties in evaluating the compliance and effectiveness of the District's internal control over compliance with DE Code Chapters 13 and 17, Senate Bill 385 and DE Admin Code Section 525. Procedures were performed for student accounting and enrollment as of September 30, 2005. In addition, procedures were performed for authorized positions and occupational-vocational unit Division II funding for the fiscal year ended June 30, 2005. Management is responsible for the District's compliance with the requirements related to the above areas.

This agreed-upon procedures attestation engagement was performed in accordance with Government Auditing Standards (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

STUDENT ENROLLMENT

Agreed-Upon Procedure Number 1: Determine if the District's written policies and procedures for preparing, reviewing and reporting the September 30 student count are adequate.

Finding: The State of Delaware Budget and Accounting Policy Manual states that department or agency heads are responsible for establishing and maintaining an effective system of internal control. The manual goes on to further state that a well-designed system of controls include written policies and procedures to ensure that each control objective is met.

Finding - continued: We determined that the District utilizes the DOE manuals and memorandums. These manuals and memorandums provide guidance regarding the eligibility of students; they do not address the District's internal controls regarding the preparation, review and reporting of student enrollment figures. In addition, the District office provides to its school officials through emails and internal mail the District's unit count process and any new or updated procedures. It is our determination that the District does not have their own set of written internal policies and procedures regarding the September 30 unit count creating a greater risk of noncompliance.

While performing the other agreed-upon procedures we determined that the policies they have, although not written are being adhered to. As described later in this report an error did occur when reporting the September 30 unit count to the State. It was our determination that this error could have been prevented with a more thorough reconciliation of the unit count figures between the school and District.

Recommendation: It is our recommendation that in order to comply with the requirements set forth by the State of Delaware and decrease the potential risk of noncompliance, the District should compile its current unit count process into a written format to include the following:

- References to pertinent rules and regulations as stipulated by the DOE or DE Code
- Policies and procedures in regard to gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound documentation, documentation relating to children placed in alternative education settings, re-engineered students, etc.)
- Retention policy of records supporting the September 30 unit count
- Attendance-taking process in which it should include E-School software procedures (if applicable)
- Verification of attendance by upper level management
- How the District/school ensures that IEP files are current and meet the required guidelines
- How the District/school ensures that required documentation is maintained for students in vocational or co-op programs

It is also our recommendation that going forward the schools within the District and the District consult with each other before reporting their final September 30 unit count figures.

Auditee Response: The District is in agreement with the above finding and recommendation.

Agreed-Upon Procedure Number 2: Determine if the District properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.

Finding: The Delaware Department of Education's A Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30 Enrollment and Unit Computation states:

"...each school shall maintain September enrollment records in a manner that will allow for efficient enrollment audits"

Finding - continued:

“...enrollment means attending school sometime during the last 10 student attendance days of September or having a legitimate reason for not attending”

During the engagement, the following conditions were found:

School	Condition
Phyllis Wheatley Middle School	Our review of the count showed that 2 seventh grade special education students were counted twice in the September 30, 2005 unit count figure.
Woodbridge High School	Our review of the count showed that a ninth grade regular education student who was absent the full 10 days with no documentation of an expected return date was included in the September 30, 2005 unit count.
Woodbridge High School	Our review of the count showed that a ninth grade regular education student who was being treated in a juvenile detention center was included in the September 30, 2005 unit count even though the school had no documentation that the student was expected to be released and returned to school by November 1, 2005.

It is our determination that the above conditions are a direct result of insufficient reconciliations and inadequate support.

The disallowance of the above 2 special education students resulted in the loss of one special education unit which is equivalent to \$76,013 of state funding. The disallowance of the above 2 regular education students did not reduce the number of regular education units resulting in no loss of funding.

Recommendation: The District repay \$76,013 to the State of Delaware.

Auditee Response: The District had planned to utilize its 123rd Division I unit as part of the annual giveback to the State therefore, this Division I unit went unfilled. When the District became aware of the above error they were able to accomplish the annual giveback without utilizing this Division I unit. The District plans to return the unfilled Division I unit to the State due to the above finding, and reimburse the State the remaining \$21,877 representing the costs of one Division II and III unit.

Auditor Response: The above repayment method should be presented to the DOE for acceptance.

Agreed-Upon Procedure Number 3: Select ten percent (10%) or a minimum of five “Individualized Education Program” (IEP) files at each school to verify that each file contains the required documentation in accordance with the DOE’s Administrative Manual for Special Education Services and calculate the dollar impact of disallowed students, if applicable.

Finding: We found that all files selected were current and contained the required documentation in accordance with the DOE’s Administrative Manual.

Agreed-Upon Procedure Number 4: Select ten percent (10%) or a minimum of five students enrolled in the Cooperative Education and Diversified Educational Programs and confirm that the students’ files contain the required documentation in accordance with the DOE’s Administrative Directives and calculate the dollar impact of disallowed students, if applicable.

Finding: The Delaware Department of Education’s “A Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30 Enrollment Unit Computation” gives instructions for counting students enrolled in the Cooperative Education and Diversified Occupations Programs as of September 30. The Summary states that in order to qualify for Career – Technical Education funding units the school shall have on file, for each student, a training agreement that includes training objectives and is signed by a parent or guardian, the employer, the student and a representative of the District. While performing the above procedure the following conditions were found:

School	Type of Program	Condition
Woodbridge High School	Cooperative Education and Diversified Education	We determined that the employer and a school representative are not consistently signing the training agreement as required by the DOE. In addition, we determined that the inconsistency of signatures is due to the Career-Technical Education Program Coordinator being unaware of the DOE requirements.

Recommendation: It is our recommendation that the Career-Technical Education Program Teacher Coordinator ensure that every training agreement has the required signatures as defined in The Delaware Department of Education’s “A Summary of Delaware Code and Department of Regulations for Student Accounting for the September 30 Enrollment Unit Computation”.

Auditee Response: The District is in agreement with the above finding and recommendation.

AUTHORIZED POSITIONS

Agreed-Upon Procedure Numbers 1 and 2:

- Determine if the District’s control procedures for monitoring, tracking and reconciling the number of employees are adequate.

Agreed-Upon Procedure Numbers 1 and 2 - continued:

- Determine if the District's control procedures for monitoring and tracking salaries charged to the State's general fund are adequate.

Finding: The State of Delaware Budget and Accounting Policy Manual states that department or agency heads are responsible for establishing and maintaining an effective system of internal control. The manual goes on to further state that a well-designed system of controls include written policies and procedures to ensure that each control objective is met. The District has no formal set of written policies and procedures increasing the potential risk of noncompliance.

Recommendation: In order to comply with State of Delaware's Budget and Accounting Policy Manual the District develop a set of internal written policies and procedures regarding payroll to include the following:

- References to rules and regulations as stipulated by the DOE
- References to pertinent sections of DE Code
- Detailed procedures in reconciling actual staff to Division I units
- A management review process of staff listings and reconciliations including a time frame for completion

Auditee Response: The District is in agreement with the above finding and recommendation.

Agreed-Upon Procedure Number 3: Compare the number of paid positions by category to the number of authorized positions per 14 DE Code, Chapters 13 and 17.

Finding: When comparing the actual number of paid positions by category to the number of authorized position as determined by the State it was determined that the District was operating within its number of authorized units by category.

Agreed-Upon Procedure Number 4: Recalculate the annual salary of the following selected positions to determine if employees were paid in accordance with 14 DE Code, Chapter 13.

Superintendents =	100%
Assistant Superintendents =	100%
Principals =	100%
Directors =	100%
Classroom Teachers =	10%

Finding: The 2004-05 Position Entitlement Report states that the District is authorized .78 of an 11 month supervisor position.

Finding - continued:

It was our determination that the payroll calculation for the individual who utilizes this position was based on .75 of a position rather than .78 of a position. In addition, it was also our determination that although, the individual was paid in accordance with 14 DE Code, Chapter 13 the District could have utilized an additional .03 units of state funding to fund the position rather than utilizing .03 units of local funding.

Recommendation: The District thoroughly reviews its payroll calculations annually to ensure they are properly utilizing their entitled amount of funding.

Auditee Response: The District is in agreement with the above finding and recommendation.

OCCUPATIONAL-VOCATIONAL UNIT DIVISION II FUNDS

Agreed-Upon Procedure Number 1: Obtain confirmation from the DOE if the District was granted a waiver of the 90% requirement to allocate the occupational-vocational unit Division II funding to each school that generated the funding.

Finding: The District chose not to request a waiver from the DOE.

Agreed-Upon Procedure Number 2: Review expenditure documents to determine if FY04 and FY05 occupational-vocational funds expended from July 1, 2004 through June 30, 2005 were (1) expended for State-approved occupational-vocational courses and programs within the District and (2) supported by adequate documentation and (3) properly coded in the Delaware Financial Management System (DFMS).

Finding: All expenditures, relating to FY04 and FY05 occupational-vocational funding, were determined to be (1) expended for State-approved occupational-vocational courses and programs within the District and (2) supported by adequate documentation and (3) properly coded in DFMS.

Agreed-Upon Procedure Number 3: Review financial records to determine if FY04 and FY05 occupational-vocational funds were properly allocated to and spent by the schools within the District that generated the funding.

Finding: The District office properly allocates and monitors the spending of occupational-vocational funds by school to ensure that the school which generated the funding is the school that receives the funding.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the DOE and the District and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of Auditor of Accounts, Office of the Governor, Office of Controller General, Office of Attorney General, Office of Management and Budget, and Secretary of Finance.

Ballint, Lyons & Shuman, P.A.

December 28, 2005
Wilmington, Delaware